



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

May 9, 2013

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

To: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

## SACRAMENTO UPDATE

### Executive Summary

This memorandum provides information on the following:

- **Pursuit of County Position to oppose-unless-amended AB 1333 (Hernández).** This measure would require the legislative body of a local agency to review and make specified findings on contracts, totaling \$250,000 or more a year and containing an automatic renewal clause, every three years even if the legislative body previously approved such a contract. Therefore, unless otherwise directed by the Board, consistent with existing policy to streamline or eliminate administrative mandates to focus limited resources on services, **the Sacramento advocates will oppose AB 1333 unless amended to include clarifying language.**
- **Status of County-Advocacy Legislation**
  - **County-sponsored AB 331 (Garcia)** – related to requiring elections consolidated with a statewide or special election be conducted under applicable State and Federal laws and county election procedures, passed the Assembly Elections and Redistricting Committee on May 7, 2013.
  - **County-supported AB 339 (Dickinson)** – related to the sale of animals at swap meets passed the Assembly Appropriations Committee on May 8, 2013.

*"To Enrich Lives Through Effective And Caring Service"*

*Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only*

- **County-supported AB 1054 (Chesbro)** – related to the rate increase paid by counties for placements at Institutions of Mental Diseases passed the Assembly Floor on May 9, 2013.
- **County-opposed SB 450 (Galgiani)** – related to authorizing a local agency with an ordinance regulating unattended collection boxes to impose a charge on the owner for the costs of its removal, is now a two-year bill.

---

### **Pursuit of County Position on Legislation**

**AB 1333 (Hernández)**, which as amended April 30, 2013, would: 1) require the legislative body of a local agency to review any contract with a private party, totaling \$250,000 or more a year and containing an automatic renewal clause, at least once every three years; 2) require that prior to the renewal of a contract, the legislative body make findings on the record; and 3) require a contract rescinded for which findings indicate the private party does not pay at least the prevailing wage rate.

Existing law authorizes the legislative body of a city, county, or district to enter into contracts for various services, and requires the contract to include a time within which the entire or any specified portion of the work being considered is to be completed.

AB 1333 would require the legislative body of a city, county, or district to review any contract with a private party, with a total annual value of \$250,000 or more and containing an automatic renewal clause, sometimes referred to as an “evergreen” provision, at least once every three years on or before the annual date by which the contract may be rescinded. The bill would require that prior to renewal, the legislative body makes findings on the record, including, but not limited to, whether the contract contains updated information and whether the contract fits the needs of the legislative body. In addition, the bill requires a contract to be rescinded if findings show that the contractor does not do the following: 1) pay, at minimum, the general prevailing rate of per diem wages for work of a similar character in the locality, or a living wage proscribed in the locality, whichever is greater, to its employees; and/or 2) retain the employees of the prior contractor or subcontractor for at least 90 days.

The Department of Public Works (DPW) indicates that AB 1333 fails to define what constitutes an “automatic renewal clause” other than to introduce another undefined term, “evergreen,” in trying to describe it. In addition, DPW and County Counsel note that as currently written, the bill would encompass nearly all contracts that have renewal provisions. DPW reports this would result in increased administrative costs and reduced operational effectiveness by requiring departments to return to the Board for

approval on contracts with renewals or option years, even if the Board previously approved such a contract.

The Department of Public Works recommends opposing AB 1333 unless amended to distinguish these terms in a manner that permits the continuance of existing County contracting policy and practice, which includes the use of contracts that contain a finite number of potential renewal periods. DPW, with County Counsel concurrence, recommends clarification that the review provisions apply only to contracts prior to automatic renewal, and would not apply to contracts approved by the governing body of a local agency that contain a set number of renewal periods or option years which are subsequently exercised by the governing body or their delegate. While the County does not routinely use contracts with automatic renewal clauses, DPW notes that it is important to ensure that AB 1333 does not apply to the County's standard contracts that do contain some renewals or option years. DPW remarks that this practice provides for maximum contracting flexibility for the Board and also provides a cost-effective method to lock in contract rates.

The Department of Public Works and this office recommend opposing AB 1333 unless amended to apply only to contracts with "evergreen" or "automatic renewal" clauses and to better define those terms. County Counsel, as well the Sheriff's Department and Department of Parks and Recreation, concur with this recommendation.

Therefore, unless otherwise directed by the Board, consistent with existing policy to: 1) support proposals to streamline or eliminate administrative mandates to focus limited resources on services; and 2) streamline and improve administrative operations and processes (e.g. contracting, procurement, and capital projects/space management) to increase effectiveness, enhance customer service, and support responsive County operations, **the Sacramento advocates will oppose AB 1333 unless amended to include clarifying language. The Sacramento advocates will work with the author's office to secure the necessary revisions to address the County's concerns.**

AB 1333 is substantially similar to **County-opposed-unless-amended AB 834 (Hernandez)** of 2011. AB 834 failed in the Assembly.

AB 1333 is sponsored by American Federation of State, County and Municipal Employees, AFL-CIO. It is supported by the California School Employees Association, California Teamsters Public Affairs Council, Glendale City Employees Association, Service Employees International Union, California State Council, among others. The measure is opposed by 60 entities, including the League of California Cities, City of Imperial Beach, City of Lakewood, and several waste and recycling companies.

Each Supervisor  
May 9, 2013  
Page 4

AB 1333 passed the Assembly Local Government Committee by a vote of 5 to 3 on May 8, 2013. This measure now proceeds to the Assembly Floor.

#### **Status of County-Advocacy Legislation**

**County-sponsored AB 331 (Garcia)**, which as amended on April 30, 2013, would require that elections consolidated with a statewide or special election be conducted under applicable State and Federal laws, including relevant county election procedures and practices, passed the Assembly Elections and Redistricting Committee by a vote of 6 to 0 on May 7, 2013. This measure now proceeds to the Assembly Floor.

**County-supported AB 339 (Dickinson)**, which as amended on May 6, 2013, would authorize, commencing January 1, 2016, a swap meet operator to permit a vendor to offer animals for sale at a swap meet provided the local jurisdiction has adopted certain standards for the care and treatment of those animals during the time that the animals are present at the swap meet and transported to and from the swap meet. These provisions would not apply to the sale of a particular species of animal if a local jurisdiction has adopted a local ordinance prior to January 1, 2013, that applies to the sale of that animal at swap meets, passed the Assembly Appropriations Committee by a vote of 12 to 3 on May 8, 2013. This measure now proceeds to the Assembly Floor.

**County-supported AB 1054 (Chesbro)**, which as amended on April 11, 2013, would reduce the annual rate increase paid by counties for placements at Institutions for Mental Diseases from 4.7 percent to 3.5 percent effective July 1, 2014, passed the Assembly Floor by a vote of 73 to 0 on May 9, 2013. This measure now proceeds to the Senate.

**County-opposed SB 450 (Galgiani)**, which as amended May 1, 2013, would authorize a local agency that has a local ordinance regulating the placement of unattended collection boxes to impose a charge on the owner of a box in violation of the ordinance for the costs of its removal and storage, was held in the Senate Governance and Finance Committee on May 8, 2013 at the request of the committee, and is now a two-year bill.

We will continue to keep you advised.

WTF:RA  
MR:KA:IGEA

c: All Department Heads  
Legislative Strategist